STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 10th day of October, 2012.

In the Matter of the Rate Increase for) <u>File No. WR-2012-0266</u> Lakeland Heights Water Company, Inc.) Tariff No. YW-2013-0113

ORDER GRANTING REQUEST FOR A LOCAL PUBLIC HEARING AND SUSPENDING TARIFF

Issue Date: October 10, 2012 Effective Date: October 10, 2012

Background

On January 31, ¹ Lakeland Heights Water Company, Inc. ("Lakeland Heights") initiated a small water company rate increase action pursuant to Commission Rule 4 CSR 240-3.050. On August 28, Staff and Lakeland Heights filed a Disposition Agreement ("Agreement") that included comprehensive accounting schedules, a review of Lakeland Heights' customer service and business operation, and example tariffs designed to implement the agreed-upon revenue requirements. On September 4, Lakeland Heights filed revised tariff sheets reflecting certain rate and language changes to bring the tariffs into full conformity with the Agreement. The tariff sheets bear an effective date of October 22.

Public Counsel's Response

The Office of the Public Counsel ("Public Counsel") did not join in the Agreement.

Instead, on October 4, Public Counsel requested a local public hearing. Public Counsel

¹ All calendar dates are to 2012 unless otherwise noted.

claims that the Agreement overstated Lakeland Heights' revenue requirement and recommends an unreasonable return on equity. Public Counsel further requested that the Commission suspend the tariff to allow for time to receive further customer comment. This is sufficient for the grant of a public hearing.

The time-line filed by Staff, taken from the timeframes listed in Commission Rule 4 CSR 240-3.050(5), contemplates holding a local public hearing on, or around, November 1. Additionally, Commission Rule 4 CSR 240-2.110(1) requires the Commission to set the time and place for hearings and serve notice as required by law. Section 536.067(4), RSMo 2000, and Section 386.390.5, RSMo 2000, require at least ten days notice be given prior to a hearing. In complying with its statutory mandate, and taking into consideration the expedited nature of the small water company rate increase procedure, the Commission shall set the date for the local public hearing, by separate order, that is as reasonably close to November 1 as is practical.

Tariff Suspension

Because the date for the local public hearing likely will be beyond the effective date for the tariffs, the Commission shall suspend the tariffs.

THE COMMISSION ORDERS THAT:

1. The following revised tariff sheets filed by Lakeland Heights Hills Water Company, Inc. on September 4, 2012, and assigned Tariff File No. YW-2013-0113, are suspended until December 31, 2012, or until otherwise ordered by the Commission:

2. The motion to suspend the tariff filed by the Office of the Public Counsel is granted.

- 3. The Commission shall set a local public hearing by separate order.
- 4. This order shall become effective immediately upon issuance.

BY THE COMMISSION

Steven C. Reed Secretary

(SEAL)

Gunn, Chm., Jarrett, Kenney, and Stoll, CC., concur.

Pridgin, Senior Regulatory Law Judge